

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

- - - - -	x	
	:	
In re:	:	Chapter 11
	:	
CIRCUIT CITY STORES, INC.,	:	Case No. 08-35653-KRH
<u>et al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
- - - - -	x	
		Hrg. Date: December 22,
		2008 at 10:00 a.m. (ET)
		Obj. Due: December 20,
		2008 at
		4:00 p.m. (ET)

**NOTICE TO COUNTERPARTIES TO LEASES THAT THE DEBTORS HAVE
IDENTIFIED A POTENTIAL PURCHASER OF UNEXPIRED
NONRESIDENTIAL REAL PROPERTY LEASE**

PLEASE TAKE NOTICE that pursuant to the bidding procedures (the "Bidding Procedures") approved by the Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") in the Order Under 11 U.S.C. §§ 105, 363, And 365 (I) Approving Bidding And Auction Procedures For Sale Of Unexpired Nonresidential Real Property Leases For Closing Stores, (II) Setting Sale Hearing Date, And (III) Authorizing And Approving (A) Sale Of Certain Nonresidential Real Property Leases Free And Clear Of Liens, Claims, And Encumbrances, (B) Assumption And Assignment Of Certain Unexpired Nonresidential Real Property Leases, And (C) Lease Rejection Procedures (the "Sale And Rejection Procedures Order ") (Docket No. [____]) entered on December [___], 2008, the debtors and debtors in possession in the above captioned cases (collectively, the "Debtors") have identified a potential purchaser (the "Potential Purchaser") (listed on Schedule A attached hereto) of the Lease to which you are a counterparty.

PLEASE TAKE FURTHER NOTICE pursuant to the Bidding Procedures, the Lease to which you are a counterparty will be assumed and assigned to the Potential Purchaser if the sale is successful and approved by the Bankruptcy Court at the sale hearing to be held on December 22 at 10:00 a.m. (prevailing Eastern time) (the "Sale Hearing") in the United States Bankruptcy Court for the Eastern District of Virginia, 701 East Broad Street, Room 5000, Richmond, VA 23219.

PLEASE TAKE FURTHER NOTICE that if more than one party has been identified as a Potential Purchaser, such parties may participate in an auction for the interest in the Lease or Leases at 10:00 a.m. (prevailing Eastern time) on December 18, 2008 at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, New York 10036 or such later time or other place as the Debtors shall determine.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the assumption and assignment of a Lease to a Potential Purchaser, who may ultimately become the Successful Bidder, must (a) be in writing, (b) state with specificity the legal and factual basis for such objection, (c) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Eastern District of Virginia, and the Order Pursuant to Bankruptcy Code Sections 102 and 105, Bankruptcy Rules 2002 and 9007, and Local Bankruptcy Rules 2002-1 and 9013-1 Establishing Certain Notice, Case Management, and Administrative Procedures (Docket No. 0130) (the "Case Management Order"), (d) be filed with Bankruptcy Court and (e) served in accordance with the Case Management Order so as to be **received** on or before **December 20, 2008 at 4:00 p.m. (prevailing Eastern time)**.

PLEASE TAKE FURTHER NOTICE that if an objection to the assumption and assignment of a Lease is timely filed and served in accordance with the procedures above, a hearing with respect to the objection will be held before the Honorable Kevin R. Huennekens, United States Bankruptcy Judge for the Eastern District of Virginia at the Bankruptcy Court, 701 East Broad Street, Room 5000, Richmond, VA 23219, at the Sale Hearing or such other date and time as the Court may sched-

ule. Only objections made in writing and timely filed and received will be considered by the Bankruptcy Court at such hearing.

PLEASE TAKE FURTHER NOTICE that if no objection is timely filed and received with regard to a Lease or Leases, the non-Debtor counterparty to the Lease will be deemed to have consented to the assumption and assignment of the Lease to a Potential Purchaser that is selected as the Successful Bidder and will be forever barred from asserting any other claims as to such Lease, including, but not limited to, the propriety or effectiveness of the assumption and assignment of the Lease, against the Debtors or the Successful Bidder, or the property of either of them.

PLEASE TAKE FURTHER NOTICE that the Debtors assert that pursuant to 11 U.S.C. § 365, there is adequate assurance that the Proposed Cure Amount set forth on Exhibit 1 to the Motion will be paid in accordance with the terms of the Sale Approval Order. Further, the Debtors assert that there is adequate assurance of the Potential Purchasers' future performance under the Lease to be assumed and assigned. Information regarding the financial wherewithal of the Potential Purchaser will be made available upon reasonable request of the Debtors and evidence of the same will be adduced, if necessary, at the Sale Hearing. Prior to the Closing Date, the Debtors may revise their decision with respect to the assumption and/or assignment of any Lease and provide a new notice amending the information provided in this notice.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE,
THE COURT MAY GRANT THE RELIEF DEMANDED BY THE
APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: December__, 2008
Richmond, Virginia

SKADDEN, ARPS, SLATE,	MCGUIREWOODS LLP
MEAGHER & FLOM, LLP	Douglas Foley (VSB No. 34364)
Gregg M. Galardi, Esq.	One James Center
Ian S. Fredericks, Esq.	901 E. Cary Street
P.O. Box 636	Richmond, Virginia 23219
Wilmington, Delaware	(804) 775-1000
19899-0636	

- and -

SKADDEN, ARPS, SLATE,	
MEAGHER & FLOM, LLP	
Chris L. Dickerson, Esq.	Counsel for Debtors and Debtors
333 West Wacker Drive	in Possession
Chicago, Illinois 60606	

SCHEDULE A

[Potential Purchaser]